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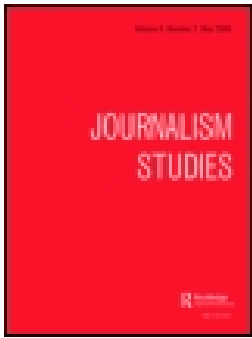
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# FOUNDATION-FUNDED JOURNALISM, PHILANTHROCAPITALISM AND TAINTED DONORS

Kate Wright, Martin Scott, and Mel Bunce

*Not-for-profit news organisations are increasingly funded by private foundations, supported by wealthy entrepreneurs. This raises a range of ethical dilemmas for journalists, which are particularly serious when their donors are alleged to have been involved in unethical or illegal activities. Although this is a relatively common occurrence in the non-profit sector, so far there has been no critical discussion of these issues in relation to foundation-funded journalism. In this article, we interrogate a rich and detailed case study of the relations between a non-profit news organisation and a donor accused of being involved in a massive, international fraud scandal. We document how the news outlet justified their acceptance of this donor's money; the defensive strategies they used to protect their reputation, organisational values and editorial freedom; and the conditions that ultimately led to journalists parting ways with the foundation. In so doing, we draw on ideas about philanthrocapitalism, stakeholders and resource dependence in order to develop model of how nonprofits respond to "tainted" donors.*

KEYWORDS donor; ethics; foundation; humanitarian; managers; news; non-profit

## Introduction

Expensive, time-consuming and specialist forms of journalism are increasingly being squeezed out of mainstream news outlets by speed, cost-cutting and role-merging (Örnebring 2016). So niche, non-profit news outlets which focus on particular geographic areas, topics, or forms of reporting are becoming an important part of the news ecology (Bunce 2016; Benson 2017; Scott, Bunce and Wright 2017). These non-profit news outlets are often heavily dependent on the funding provided by private foundations, many of which were created by wealthy entrepreneurs (Rosenstiel et al. 2016; Schiffrin 2017).

Yet a recent report by the American Press Institute concluded that the ethics relating to foundation-funded journalism are "still evolving" (Rosenstiel et al. 2016). Few non-profit outlets have any written ethical guidelines, and the ethical debates in industry circles have tended to be very restricted—focusing on issues of transparency and editorial independence (Lemann 2016; Rosenstiel et al. 2016). Although critical debates have recently become more nuanced (Benson 2017; Schiffrin 2017), there has been little discussion about the circumstances in which journalists should (or should not) accept money from foundations (Rosenstiel et al. 2016). Few non-profit news outlets say that they have ever decided to part ways from a foundation, or return monies from a foundation grant (Rosenstiel et al. 2016).

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The lack of ethical discussion about these issues is troubling for several reasons. Firstly, a greater share of grants from private funders are now going to media organisations (Rosenstiel et al. 2016). It has been claimed that non-profit news organisations are particularly popular amongst entrepreneurs, who are keen to apply business principles to philanthropic giving (Friedlich 2016). These kinds of donors often require non-profit news outlets to generate some commercial income, but there can be significant tensions between commercial and other objectives (Benson 2017). Such “philanthrocapitalists” have also been accused of lacking transparency in their financial dealings, and of conflating private and public interests (McGoey 2015). In particular, there is evidence to suggest that business executives accused of misconduct are amongst the most generous philanthropic donors to nonprofits, as this “moral window-dressing” helps them to repair damage to their reputations (Koehn and Ueng 2010, 1). It is certainly common for other kinds of non-profits to experience serious ethical dilemmas when they find out that their donors are alleged to have been involved in unethical or illegal activities (Dunn 2010). Yet there has been no discussion of how journalists working for non-profit news outlets might cope with these kinds of ethical challenges.

It is very difficult to study such issues precisely because non-profit news organisations are so dependent on private foundations: understandably, journalists do not wish to jeopardize their access to future funding. But without analysing how they negotiate problematic donor relations, we can’t hope to have informed, collective discussions about the ethics of non-profit journalism. For these reasons, we are deeply grateful to the humanitarian news outlet, IRIN, for allowing us the opportunity to discuss the sensitive data we gained during a year-long study of the organisation in 2015. During this period, IRIN was largely funded by the Hong Kong-based Jynwel Foundation, which is run by the Malaysian billionaire, Taek Jho Low. The Jynwel Foundation made a number of generous financial pledges during 2012–2016, totalling at least \$176 million. These spanned many different kinds of non-profit organisations, including MD Anderson Cancer Center in Texas and Panthera, an organisation dedicated to protecting wild cats. However, Low also made generous pledges to a number of media-related non-profits, including IRIN, National Geographic’s Pristine Seas project, the Motion Picture Television Fund, the Mashable Social Good Summit and the UN Foundation, which trains journalists around the world, and runs a news aggregator known as the *Global Daily*.

Low claimed that these pledges sprang from his belief in “disruptive philanthropy” which, he argued, involved applying business principles to philanthropic giving in order to make it more effective (2014). But the timing of Low’s philanthropic pledges is interesting because these pledges multiplied in 2014–2015, just as allegations that he was involved in a major fraud scandal began to appear in the media. So part of Low’s motivation in giving may have been to enhance his reputation for social responsibility and benevolence at a time of serious reputational risk. By 2016–2017, Low was alleged to have been involved in embezzling billions of dollars from 1Malaysia Development Berhad (1MDB)—a state-owned company tasked with supporting economic development projects. The 1MDB scandal has now gone global: it is currently the subject of legal investigations in Australia, Hong Kong, Luxembourg, Malaysia, Singapore, Switzerland, Thailand, UAE, the UK and the USA (Adam and Sam 2016).

In this article, we use 32 semi-structured interviews, internal documents and memos, content analysis and extensive ethnographic research to examine how IRIN staff negotiated their relationship with the Jynwel Foundation, as allegations mounted against Low. This

includes news managers, as well as contracted journalists, as the ethical deliberations of both were found to be relevant. (However, it should be noted that the division between journalists and news managers was not clear-cut because IRIN's managers regularly engaged in journalistic activities, such as running editorial meetings and subediting articles, as well as engaging in broader strategic activities.) Specifically, we ask: why did IRIN managers originally decide to accept the offer of funding from the Jynwel Foundation in 2014? What problems did IRIN journalists and managers encounter in relations with their donor, and what strategies did they use to cope? Which factors shaped IRIN's decision to part company with the Jynwel Foundation by the end of 2015—even though it had only received \$2 million out of a promised \$25 million?

These rich (and rare) empirical data are then used to discuss the operation of “philanthrocapitalism” in non-profit journalism, drawing from other research on foundation-funded journalism, as well as the literature on non-profit organisations. This includes theory about stakeholders, reputational risk and resource dependence. However, the main purpose of this critical discussion is ultimately to develop Dunn's model (2010) of why nonprofits part company with donors “tainted” by allegations of unethical or illegal dealings. Thus this article has much broader implications: speaking to the changing relations between journalism, big business, public relations and the not-for-profit sector.

## The Case

IRIN was established in the aftermath of the Rwandan genocide to inform the practices of humanitarian agencies, governments and multilateral donors. At that time, IRIN was part of the UN's Department of Humanitarian Affairs - the predecessor of the Office for the Coordination of Humanitarian Affairs (OCHA). But OCHA decided to cease funding IRIN in 2014, after a series of arguments with journalists over editorial independence, which culminated in OCHA allegedly attempting to prevent IRIN from reporting on the Syrian conflict (Lynch 2014). IRIN's departure from the UN created significant uncertainty about the organisation's future, and 15 members of staff left. However, those who stayed with IRIN in 2015 hoped that a “new IRIN”, funded by alternative sources, would be able to exercise greater editorial independence—albeit in ways which were shaped by their desire to continue to engage with international aid agencies, which have always constituted their most significant audience.

Whilst still part of UN-OCHA, IRIN hired a professional fundraising consultant based in the US, who brokered the deal with the Jynwel Foundation in 2014, which commenced in January 2015. IRIN managers said that Low encouraged IRIN to generate a third of its income from commercial sources within five years: something which they weren't opposed to principle, although they weren't sure how they could do it in practice. The Overseas Development Institute (ODI) in the UK also agreed to act as a host institution in the interim: accepting funds from the Jynwel Foundation on IRIN's behalf, until IRIN had completed the legal processes necessary to acquire the status of an independent foundation in Switzerland. An ODI representative was also due to chair IRIN's board; other members of this prospective board brought extensive expertise in law, non-governmental organisations and humanitarian policy-making to the table.

In addition, a handful of other actors advised either IRIN or the Jynwel Foundation about philanthropy, business and PR-related issues. All of these actors had different experiences and perspectives, as did the 15 IRIN journalists, who were positioned remotely from

one another around the world, but collaborated through their virtual newsroom (Bunce, Wright and Scott, [in print](#)). So there were a number of different legal, ethical and logistical challenges which IRIN managers and journalists had to negotiate during 2015, which were greatly exacerbated by the mounting allegations against their main donor, Jho Low.

At the time of accepting Low's offer in 2014, IRIN's managers had been aware of allegations that some of Low's business ventures were being improperly funded by 1Malaysia Development Berhad (1MDB), as these had appeared in another non-profit news outlet—*Sarawak Report* ([2014a](#), [2014b](#)). But throughout 2015, the allegations against Low became much more serious, widespread and credible. In February/March, *Sarawak Report* and the UK's *Sunday Times* newspaper obtained what they said were leaked emails suggesting that Low had been involved in misappropriating money given as a loan by 1MDB to the oil exploration and production company, PetroSaudi (Malay [2015](#); Ungood-Thomas, Rewcastle, and Boswell [2015](#)). Media coverage of the allegations then spread: moving from niche investigative outlets to mainstream English-language newspapers like *The New York Times* (Story and Saul [2015](#)) and *The Wall Street Journal* (Wright [2015](#)). One particularly intriguing detail which caught the imagination of the press was that Low's Hollywood connections were alleged to have enabled embezzled money to fund the feature film, *The Wolf of Wall Street*—a black comedy about a corrupt American stockbroker (Story and Saul [2015](#)).

Legal investigations pertaining to 1MDB also began in Singapore and Switzerland during 2015, before spreading to a host of other countries in 2016 (Adam and Sam [2016](#)). These included the USA: indeed, in 2016, Low was named in the largest set of cases ever brought by the US Justice Department's Kleptocracy Asset Recovery Initiative (Menon, Ananthalakshmi, and Raymond [2016](#)). Federal prosecutors started action to seize assets worth at least \$1 billion from those involved (Menon, Ananthalakshmi, and Raymond [2016](#)). According to the US Department of Justice filings issued in mid-2017, Low is now alleged to have facilitated, and profited from, the embezzlement of billions of dollars from 1MDB (Hope and Wright [2017](#)). However, at the time of writing no criminal charges had been brought against Low, who has always denied any involvement in illegal activity (Shih [2015](#)).

## Theoretical Framework

Our research questions involved asking why IRIN decided to accept the pledge from the Jynwel Foundation, and what problems they encountered in their relationship with the foundation, and its director, Low. Research into foundation-funded journalism suggests that foundation grants may have the potential to free journalists from commercial considerations, so that they can engage in journalistic work which is of public value, but which is time-consuming, expensive and unlikely to become profitable (discussed in Scott, Bunce and Wright [2017](#)). However, others have raised concerns that philanthropic funding may enable powerful businesspeople to exercise indirect forms of editorial influence. These include incentivising journalists to cover particular sorts of topics; causing them to alter the framing or tone of journalistic articles; and limiting journalists' perceptions of the sphere of legitimate controversy (Edmonds [2002](#); Feldman [2007](#); Bunce [2016](#)).

The risk that journalists' approaches and content will be influenced by donors is thought to be particularly acute when there is a significant overlap between the normative and cultural values of journalists and foundation representatives. This is claimed to create a

“benevolent fog” which disorients journalists and allows them to be more easily led (Browne 2010). Thus, sceptics argue, private foundations enable entrepreneurs to re/shape public discourse and policy-making in ways which privilege private, technocentric “solutions” to international development challenges, as well as suppressing criticisms of globalised capitalism (McGoey 2015; Curtis 2016). Indeed, entrepreneur-led foundations may even re/shape journalists’ perceptions of what journalism is: moving away from professionalised conceptions and their related ethical standards, to less clearly defined ideas of “information” (Lewis 2012).

More recent work has become more nuanced: suggesting that there are measures which could minimise these kinds of risks (Schiffrin 2017). Our own and others’ empirical work also suggests that journalists can exercise considerable agency in negotiating relations with foundations (Conrad 2015; Nee 2011; Scott, Bunce and Wright 2017). That’s why we also asked how IRIN managers and journalists tried to cope with the problems they encountered in their relationship with their donor. However, as Low claimed to apply business principles to giving (Low 2014), and wanted IRIN to generate some commercial revenue, we think it is appropriate to discuss the coping strategies of IRIN staff in relation to another body of work. This involves debates about the extent to which non-profit news organisations benefit from engaging with “venture philanthropy” (Friedlich 2016) or, as it is more commonly known, “philanthrocapitalism” (Bishop 2006). Such an approach involves applying business principles to philanthropic giving to try and make it more effective, impactful and sustainable (Bishop and Green 2008). But there can be conflicts between foundations’ commercial and social-impact objectives, as well as between the objectives of donors and journalists (Bunce 2016; Benson 2017). So further research needs to be done to examine how non-profit news outlets negotiate the tensions involved in becoming public-commercial hybrids.

Philanthrocapitalists have also been criticised for conflating donors’ personal morality with wealth creation in ways which efface the suffering inflicted by capitalism, which has enabled their accumulation of enormous personal wealth, whilst millions remain in poverty (McGoey 2015). We thought that this aspect of philanthrocapitalism could be particularly problematic for a humanitarian news outlet. In addition, McGoey (2015) argues that philanthrocapitalism is associated with a lack of organisational accountability and transparency, especially when donors take a highly personalised approach to philanthropic giving. It is important not to overgeneralise here because the structures of private foundations may differ significantly from one another (Schiffrin 2017). However, when Low was challenged for not having an organisational firewall in between Jynwel Capital and the Jynwel Foundation, taking a leading role in both, he replied that “You should never split it up [because] you have to do it from your head and your heart” (Rosenkranz 2015).

One of the reasons why some foundations’ lack of transparency is so worrying is that there is evidence to suggest that some business executives use philanthropic donations as a form of “moral window-dressing” to divert attention away from allegations of suspect earnings (Koehn and Ueng 2010, 1). Specifically, Koehn and Ueng (2010) have found that North American firms required to restate their earnings following allegations of financial wrongdoing are often amongst the most generous philanthropic donors. Restating firms are also some of the most visible givers in the media—regularly appearing in magazines’ lists of ethical companies (Koehn and Ueng 2010). This has important implications: suggesting that even if donors do not influence the editorial content of the news organisation they fund, their largesse is still likely to trigger positive coverage in other media



outlets. Thus Koehn and Ueng conclude that some businesspeople appear to be trying to buy back their good reputations using philanthropic giving—and that this works, at least in the short-term.

Koehn and Ueng's study (2010) can be usefully linked to studies of the relationship between philanthropy and commercial PR, which stress how vital the news media is in constructing the reputations of business leaders, especially perceptions of their social or environmental responsibility (Einwiller, Carroll, and Korn 2010). Corporate philanthropists may also benefit from making contact with other powerful individuals and groups through their giving (Spedding 2009). But although there is a growing interest in foundation-funded journalism, so far there have been no studies of how journalists cope with these issues in donor relations, or what it might take for a news outlet to part ways with a private foundation.

However, Dunn (2010) has explored the responses of other kinds of nonprofits to allegations that their donors were involved in unethical or illegal activities. He examines multiple cases in order to suggest what he thinks are the main causal factors shaping whether or not non-profits cut ties with donors. He describes these causal factors as involving two internal constraints: economic need and organisational commitment. Economic need is relatively straightforward, relating to how much the non-profit depends upon the donor's money to survive, and cost-benefit tradeoffs. Organisational commitment is a little more complicated: building upon the "the notion that a decision maker has a psychological obligation to behave in a manner that is consistent with the implications of previous decisions" (Dunn 2010, 115). The organisational commitment of a non-profit to its donor (and vice versa) is therefore thought to be influenced by individuals' sense of responsibility to see through courses of action which they previously decided upon. Although Dunn argues that this commitment is deepened when parties "continue to have dealings with one another" over a period of time (2010, 115), which we take to mean not only repeated financial exchanges, but also regular communications and other forms of non-financial interaction.

Dunn (2010) then goes on to discuss three external pressures: value incongruence, coalescence and visibility. Value incongruence is the extent of incompatibility between the "norms, values and actions" of the non-profit and its donor (2010, 110). As Dunn stresses, such issues are very important to non-profit organisations because of the highly normative nature of their claims to legitimacy. However, we also understand this as having broader implications for what are judged to be good or appropriate organisational goals and strategic directions. Dunn then draws on seminal work by Mitchell, Agle and Wood (1997, discussed in Dunn 2010) in order to discuss coalescence. In order to do this, he argues that how urgently a non-profit organisation acts to address perceptions of value incongruence depends on how many internal and external stakeholders come together to express concerns about a particular concern. For these reasons, the visibility of the scandal may be crucial, including press coverage.

Dunn (2010) concludes by stressing that more qualitative research needs to be done to test which causal factor/s are most salient in shaping non-profits' responses to their "tainted" donors, and how they combine with each other in practice. This article seeks to respond to that call. We develop Dunn's insights (2010) about the need to move away from a narrow focus on donor-recipient relations, in order to attend to the relationships between many different stakeholders. In IRIN's case, this included prospective board members, institutional partners and informal advisors: all of whom acted as an interface



between the organisation and related fields of activity. However, our attention to these actors has meant that we move away from Dunn's distinction between external pressures and internal constraints. Instead, we see the resource dependence of non-profits on others as leading to a fuzzy boundary between that which is external, and that which is internal to an organisation.

In particular, we want to stress how much small non-profit news outlets rely on multiple stakeholders who possess the resources that they need to survive (Pfeffer 1982; Pfeffer and Salancik 2003). These include institutional resources (organisational structures, systems, and processes) and personal resources (individuals' time, energy, knowledge and skills and contacts). In order to access stakeholders' resources, IRIN, like other non-profits had to preserve its immaterial resources. These included its organisational reputation and related forms of stakeholder goodwill: both of which depend on IRIN's claims to further the public good, and therefore its legitimacy as a non-profit (Lister 2003; Kong and Farrell 2010). So IRIN's acceptance of a pledge from the Jynwel Foundation represented the opportunity to become more editorially independent and financially secure, but it also posed significant risks relating to its reputation, stakeholder support and access to others' resources.

## Methods

The research project underpinning this paper took place from November 2014, just before UN-OCHA's handover on 31st December, and lasted until December 2015, when IRIN finally parted ways with the Jynwel Foundation. It employed three complementary methods: interviewing, ethnographic research and content analysis. Semi-structured interviews lasting for an hour to an hour and a half were conducted with all IRIN staff on a periodic basis. Stakeholders at ODI, prospective board members and informal advisors were also interviewed. Sadly, Low and those representing the Jynwel Foundation did not agree to participate.

Our ethnographic research involved observing IRIN's Skype editorial meetings twice weekly, as well as attending the annual staff away day. In addition, we observed journalists' conversations within their online newsroom, hosted on Slack. However, we could not see private messages, and were not permitted to attend some sensitive board or branding meetings. We mitigated these omissions by triangulating accounts of key encounters using multiple participants and utilising internal documentation. All of these data, together with interview transcripts, were analysed using NVIVO.

Given the sensitive nature of the case, we conducted some interviews later and anonymised participants, including removing dates when this might lead to an interviewee being identified by others in his/her organisation. An early draft of this article was also viewed by IRIN managers but although they made constructive suggestions, chiefly about factual details, they did not place any pressure on us to portray their organisation in a positive light. This was in keeping with their commitment to organisational transparency and editorial independence, which we believe is to their credit.

Although we discuss our content analysis extensively elsewhere (Scott, Bunce and Wright 2017), here it is used solely as a means of triangulating the claims of IRIN managers that they were able to resist any donor influence over editorial content. This content analysis involved analysing all original, English-language outputs between 1 November 2014 and 30 November 2015: so we sampled two months when IRIN was still funded by UN-OCHA until the date when IRIN's relationship with Jynwel Foundation ceased.

**RQ1: Why Take the Money?**

IRIN journalists were passionately committed to acting as a watchdog to the humanitarian industry. As one editor said,

I am really genuinely excited about the possibility to kick up s\*\*t by ripping into one of the most unaccountable, unchallenged parts of the global economy. I want to hold up to a far higher standard of scrutiny the aid system and the UN. (Staff consultation quoted in personal email by Manager 2 to all staff, 27 May 2015)

So it may seem odd that these journalists chose to work for a news organisation funded by a business executive accused of having undue influence over a state-owned development company. However, questions about funding were not treated as a topic for collective, ethical deliberation, but were seen as a largely managerial matter.

IRIN managers explained that they chose to accept the pledge of funding from Low's Jynwel Foundation because, at that time, the accusations against Low were not widespread, only appearing in Sarawak Report (2014a, 2014b). They also believed that these early accusations lacked the credibility and seriousness of later allegations. Moreover, no reason to decline the funding was found during due diligence processes, which involved lawyers checking the accounts filed by the Jynwel Foundation in Hong Kong (Interview, Manager 1, 16 January 2015; Interview, Manager 2, 22 January 2015). But such checks depend on the data disclosed by the donor (Spedding 2009), so the lawyers advised IRIN and its host organisation, ODI, to continue to monitor the situation (Interview, ODI representative, 10 April 2015).

IRIN managers' wariness of the Jynwel Foundation was exacerbated by the growing visibility of the 1MDB scandal in the news media (Dunn 2010). By mid-January, IRIN managers learned that *The New York Times* was investigating Low (Interview, Manager 1, 16 January 2015). However, they really needed the Jynwel money (Dunn 2010) as although IRIN had secured pledges of two governmental grants, these were not enough to meet the running costs of the organisation, even in its new, reduced form. IRIN managers justified taking money from the Jynwel Foundation by saying,

Every donor and institution and country ... and philanthropist comes as a package and if we accept money from the US government, as one of the biggest arms manufacturers in the world, is that acceptable? ... Where do you stop?

So we felt, after a lot of discussion, that as long as there weren't very clear red lines which we would consider to be a violation of the kinds of principles and mandate we stand for, that we would rather be less stringent about who will and won't accept funding from, and rather adopt an approach of transparency. (Interview, Manager 2, 22 January 2015)

Other non-profits have also justified accepting money from questionable sources by removing normative gradability—that is, judgements about what is a better or worse course of action (Lawlor 2009). But this tends to be done in a different way. For example, the Mexican bishop, Ramon Godinez, has argued that although the Catholic Church does not knowingly take money from drug traffickers, the money would, in any case, be clean because it is “purified once it passes the parish doors” (Adams 2005, cited in Dunn 2010, 105). IRIN managers did not take this line: arguing instead that since all funding was problematic, the best they could do was to be “transparent” about the sources of their

income. However, “transparency” about non-profits’ funding only really works if donors are also “transparent” about where their money is coming from (Spedding 2009), and this is not always the case with philanthrocapitalists (McGoey 2015).

Given their experiences with UN-OCHA, IRIN managers were more concerned about donors encroaching on their editorial and organisational independence (Interview, Manager 1, 16 January 2015). So they took preventative action: drafting IRIN’s statutes in ways which stressed the organisation’s commitment to “independent and non-partisan reporting” (Article. 3.2, 2015, 4–5). This involved stating their intention to “refute any internal or external pressure to influence coverage”, so that they would not “give favourable coverage to advertisers, donors, or special interests” (Article 5, 2015, 8). But IRIN’s draft statutes also state that in order to “maintain [IRIN’s] independence, neutrality and credibility”, the organisation would not “accept funding where it would be unethical or socially irresponsible to do so” or where “the identity or activity of a proposed donor would contradict [IRIN’s] mandate and aims” (Article 7, 2015, 8). Finally, IRIN’s draft constitution addresses operational independence by clarifying how power can and cannot be exercised in the organisation, including specifying the distribution of votes on the board, so that no single donor could dominate (Interview, Manager 1, 16 January 2015).

Thus IRIN had far more ethical guidelines formalised in writing than most non-profit news outlets which accept foundation funding (Rosenstiel et al. 2017). Managers’ efforts to safeguard editorial independence appear to have been successful. As economic development falls outside of the humanitarian “beat”, we would not have expected coverage of the 1MDB scandal anyway. But the Jynwel Foundation’s partnership with the UN Foundation might have been seen as touching upon IRIN’s remit. Yet no favourable coverage of Low or the Jynwel Foundation ever appeared. There was also no rise in the portrayal of businesses as humanitarian actors and IRIN journalists continued to discuss how the structures of globalised capitalism may trigger and perpetuate human suffering (Scott, Bunce and Wright 2017). So we found no evidence that foundation funding towed the news organisation towards what Feldman calls “safe, legalistic bureaucratic activities and mild reformism” (2007, 472). In fact, IRIN’s output became somewhat more critical of the aid industry than it had been before it was funded by a private foundation (Scott, Bunce and Wright 2017). However, this finding may be partially explained by IRIN’s initial positioning within the UN system, which meant that it started off in a position where journalists were far less able to criticise aid agencies than those working in the kinds of radical outlets analysed by Feldman (2007).

The reputation of the “new IRIN” for editorial independence helped them attract a number of high-ranking and experienced editors from prestigious news organisations. New applicants often said that this was one of the factors shaping their interest in working for IRIN, despite the precarious, short-term contracts on offer (Interview, 22 May 2015; Interview, 15 June 2015; Interview, 10 March 2016). Indeed, several said they felt less compromised ethically at IRIN than they had been in other news organisations. For instance, one editor claimed that,

In [a Middle Eastern country] most papers ... receive some backing from political parties or people with political interests ...

I’ve seen it in plenty of papers [that] what you cover or don’t cover is impacted by your donors ... But I never saw anything like that at IRIN. (Interview, 10 March 2016)

Nevertheless, IRIN journalists' focus on editorial independence meant that many did not seem to reflect upon the risk that they were providing Low with reputational benefits, including acting as "moral window-dressing" (Koehn and Ueng 2010, 1) for him as allegations of his involvement in the 1MDB scandal increased. Nor did IRIN journalists ever speak to us about the possibility that IRIN might have inadvertently accepted money misappropriated from 1MDB. Instead, journalists tended to argue that as IRIN's journalism was "independent", accepting money from the Jynwel Foundation did not represent a "conflict of interest" (Interview, 10 March 2016). This risked undermining IRIN's claim to serve the public good as a non-profit, as well as producing a worrying split between journalists' everyday activities and their broader moral/political commitments. As another journalist put it,

Of course, I would rather not be funded by some, like, potentially corrupt Chinese-Malaysian businessman. If I was doing an investigative story, I would try to track down some of his links [to try and verify the allegations against him] ...

But right now, it's not interfering with our work. (Interview, 13 April 2016)

These journalists' apparent reluctance to confront the broader implications of the allegations against Low may also have been influenced by the scarcity of jobs which would allow them to pursue the kinds of specialised, time-consuming and expensive reporting they valued. Indeed, some took up posts at IRIN despite strong objections from their peers regarding incongruence between their own values and those of their donor (Dunn 2010). As one new recruit explained,

I knew [Low] was a Malaysian billionaire, I knew he was quite controversial. I knew that my Malaysian friends had quite strong opinions that he was considered to be behind many of the political scandals in Malaysia ...

But uh, yeah, I guess I'm quite pragmatic about these things ... It wasn't a major consideration for me whether or not I took the job. (Interview, 10 March 2016)

Therefore, IRIN managers legitimised their acceptance of a pledge from the Jynwel Foundation in terms of their organisational transparency; due diligence processes; and their (considerable and effective) efforts to protect IRIN's editorial and operational independence. Whilst journalists tended to focus solely on editorial independence as the key ethical issue which concerned them, ignoring any other potential effects of their involvement with Low's Jynwel Foundation. Certainly, none of those who left IRIN during 2015 said that the allegations against Low had shaped their decision to depart.

**RQ2:** What Problems Did IRIN Staff Encounter in Relations with Their Donor, and What Strategies Did They Use to Cope?

Despite their reluctance to confront some of the more difficult ethical issues surrounding their association with Low, the commitment of IRIN journalists to watchdog journalism continued to make them uncomfortable about taking money from the Jynwel Foundation. Throughout spring and early summer, IRIN journalists gestured to their sense of unease in relatively brief and muted ways: saying they were "not thrilled" by the funding relationship (Interview, 13 April 2015), that it was "not great" (Interview, 10 March 2015) or "perhaps not ideal" (Interview, 29 May 2015). IRIN journalists then tended

to reassure themselves by echoing their managers' conviction that unproblematic donors were impossible to find, so the best thing to do was to remain "transparent" about the sources of their income (Interview, 22 May 2015; Interview, 29 May 2015).

Only a couple of editors, who had previously worked for news organisations with a commitment to impartiality, continued to voice serious concern about the allegations against Low, which they were tracking in the media (Dunn 2010). The first editor came close to identifying the possibility that IRIN was being used as a form of "moral window-dressing" (Koehn and Ueng 2010, 1). S/he said that it was probably "naïve" to believe that there was "sufficient distance" between Low's business dealings and the Jynwel Foundation, because Low seemed to be "throwing his money into different philanthropic areas for ... PR reasons as much as anything else" (Interview, 22 May 2015). Whereas the second editor expressed their concern about the ethical tensions between IRIN's values as humanitarian news organisation and Low's potential involvement in embezzling money from a development bank. As s/he put it,

I think the opaqueness of [Low's] business dealings and where the Jynwel Foundation's getting its money from is of concern ...

*I think* I should give them the benefit of the doubt [but] *if* they made their money on the backs of some of the issues we complain about in our writing, [then] it would be *problematic*, to say the least ...

It's just not clear where all this money is coming from, and it's *such* a lot of money ...  
(Interview, 15 June 2015)

But such reflections did not lead these journalists to take any kind of action, other than continuing to monitor news coverage of the 1MDB scandal. In particular, the framing of their deliberations as personal anxieties, rather than ethical concerns, inhibited them from engaging in any collective discussion with other IRIN journalists or the organisation's managers. For example, these editors didn't discuss their fears at any of the editorial meetings or staff away days we observed, nor was there a single mention of the growing allegations against Low within IRIN's virtual newsroom. This was striking because the posts within this newsroom were extensive, amounting to 295,000 words in total, and involved regular and wide-ranging debate about the nature, purposes and parameters of humanitarianism.

However, journalists said that IRIN's managers had not discouraged them from discussing the 1MDB scandal in front of us. Instead, they said that they had not engaged in these kinds of discussions because they had continued to compartmentalise donor relations as a managerial matter, despite the growing allegations against Low (Interview, 10 March 2016; Interview, 13 April 2016). This view was shared by IRIN's managers, who said they had avoided telling journalists about the difficulties which they were having with the Jynwel Foundation because they thought that the stress and uncertainty would impact negatively upon them (Interview, Manager 1, 7 October 2015).

Yet IRIN managers had always anticipated that their relationship with the Jynwel Foundation might be problematic. In addition to the allegations which emerged against Low, they argued that there were marked "cultural" differences between IRIN and what they described as the "glitzy, razzmatazz world" of "philanthrocapitalism [or] philanthroentrepreneurialism" in which their donor was embedded (Interview, Manager 1, 16 January

2015). In particular, they were worried about the reputational implications of IRIN being associated with a man regularly portrayed in mainstream newspapers and gossip blogs as an international playboy. As one put it,

There were concerns about ... what accepting funding from [Low] would do to people's perceptions of us and our credibility ...

We are a very *serious* news organisation that focuses on very *serious* issues, and to be associated with someone who has made the news for very different reasons was difficult and we felt that would reflect [badly] on us. (Interview Manager 2, 22 January 2015).

Managers also believed that the kinds of "tycoons" who try to apply business principles to philanthropy had expectations about what their generosity would bring them, in terms of reputational benefits and social contacts (Interview, Manager 1, 16 January 2015). So the problem, as they saw it, was how to give Low what they assumed he wanted, without risking their own organisational reputation, or their editorial and operational independence (Interview, Manager 1, 16 January 2015). Low's support of IRIN certainly enabled him to acquire some positive media coverage from serious broadsheets, such as *The Financial Times* (Bond 2014) and *The Guardian* (Hatcher 2014). But IRIN's managers also investigated the possibility of putting on high-profile events which would allow Low to celebrate his philanthropy in a very visible way, as well as "rubbing shoulders with the great and the good" (Interview, Manager 1, 16 January 2015). Indeed, at the behest of IRIN's fundraising consultant and the PR advisor representing the Jynwel Foundation, IRIN managers even investigated the possibility of setting up a celebrity advisory committee, so that Low could be associated with the likes of Amal Clooney, Queen Rania of Jordan and Arianna Huffington (Interview, Manager 1, 7 October 2015).

But managers' focus on safeguarding IRIN's independence appears to have led them to minimise the potentially unethical effects of facilitating these social connections. For example, the first manager described such events and meetings as "shiny things", which would please their donor, but which could do no real harm, because they wouldn't affect IRIN's independence (Interview, Manager 1, 16 January 2015). However, if IRIN had facilitated Low's association with such high profile and well-respected actors in the field of humanitarianism, this could have greatly enhanced the "moral window-dressing" Low gained from funding the news organisation (Koehn and Ueng 2010, 1). Indeed, such social capital might be far more valuable to donors with reputational concerns than influencing the editorial content of a small, niche news outlet.

One of the reasons why these strategies never got off the ground was that Low did not present IRIN with the problems which its managers anticipated. Rather than having to fend off a pushy donor, keen to dominate IRIN, managers struggled with the opposite problem: they were often unsure what their main donor thought or wanted. Indeed, Low showed little commitment to IRIN as an organisation (Dunn 2010): communicating with them so infrequently that they had to delay the processing of important strategic decisions by months. The Jynwel Foundation was also somewhat unreliable in releasing promised funds: the first significant tranche arrived so late that IRIN could not pay its journalists for several weeks.

IRIN managers saw these problems as stemming from Low's personalised and centralised approach to running the foundation. Indeed, one manager claimed that the Jynwel Foundation was largely "run from [Low's] personal Blackberry" for most of the year

(Interview, Manager 1, 7 October 2015). In the absence of more frequent dialogue with Low, IRIN managers coped by dealing with two other individuals: one of whom also held a powerful position at Jynwel Capital, whilst the other was the PR consultant working for the Jynwel Foundation. IRIN managers had the impression that the latter exerted a particularly strong influence over Low in this area and often represented his interests at meetings.

However, dealing with these two other representatives introduced other forms of value incongruence (Dunn 2010). For example, one of IRIN's managers said s/he was offended that the branding consultants recommended by one of them had insisted on booking premium price tickets to fly across the Atlantic for a meeting (Interview, Manager 2, 23 June 2015). But this manager then went on to reflect upon her/his initial reaction like this:

We are trying to navigate very different worlds. You know, the very American big money world and the more humble NGO development world.

You think that you have a clear kind of a cultural position, if I can put it like that, and then you get pulled in this other direction ... And you can see the attraction of that other culture and what that can bring to your organisation, and there are parts which you think are absolutely necessary for your [business] growth etc., and yet there are other bit of it which [pause] pose red flags.

And you are not *sure* [whether] you are just being naïve when you see them as red flags. Is that *normal* practice? Is it just something that you haven't had to deal with before and, in fact, you are *silly* to think that there is anything wrong with that? Or is it normal to keep having to put your feet down firmly and say "No, I am not comfortable with this?"

I mean you think you have red lines about things and all of a sudden your red lines become *orange*, *green*, because the more ... you get exposed to a range of ... ways of looking at things, the more you start to wonder if your original perceptions made sense or were just based on a lack of experience. (Interview, Manager 2, 23 June 2015)

Rather than experiencing confusion due to a "benevolent fog" (Browne 2010) caused by normative and cultural similarities with those representing a private foundation, IRIN managers appear to have been experiencing the opposite. They were aware of considerable normative incongruence between themselves and those representing their donor, who were enculturated in the world of international business. Managers tried to cope with these difficulties by reframing them as differences in working culture. But this didn't quite work: leaving them unsure about how to proceed in a way that protected their own values, whilst responding in an appropriate manner to their donor's request that they generate some commercial income. Although IRIN managers were not against raising commercial revenue in principle, patchy communication with Low meant that questions about how this was to be accomplished, and its implications for IRIN's values and objectives, continued to be sources of considerable tension.

The efforts of IRIN managers to discuss these tensions tended to be hampered by their lack of familiarity with commercial branding and marketing processes, so they were sometimes unsure if they were being unreasonable or not (Interview, Manager 2, 23 June 2015). It was only at the branding workshop in July 2015 that IRIN managers identified



what they believed was clear evidence of serious incompatibilities between IRIN's values and those of the people representing their donor. As one explained:

[Lowe's PR consultant] said "I just want to clarify with the IRIN team, do you see yourself as a watchdog, because that's not really what I ever thought IRIN was?" ... At the same time we had [a Jynwel Foundation representative] saying "Why are you guys so obsessed with the UN?"

It was as if that whole *aspect* of what we do—keeping an eye on the aid industry, being one of the few independent voices in the humanitarian sector that can ask questions about where the money is going, how the money is being spent, whether it is best serving the needs of people.

All that seemed to have no *value* for them, from the little that we can gauge. Instead what they want is flashy videos and sexy campaigns and things that can mobilise the grassroots. (Interview, Manager 2, 9 October 2015)

Indeed, IRIN's managers believed that those employed by Low were trying to subtly steer IRIN towards more populist and upbeat coverage, describing this as involving a "shinier and more promotional" approach to international aid" (Interview, Manager 1, 7 October 2015). Nevertheless, the consultant who produced IRIN's feasibility report, and who was present at this meeting, didn't have the impression that there had been any deliberate conspiracy to alter IRIN's core mission. Instead, s/he argued the commercial branding firm and those representing Low's interests both seemed "out of their depth" and "inexperienced" in dealing with the humanitarian sector, so were "just pulling ideas out of the air or from random post-it notes" (Interview, 14 December 2016). Certainly, our content analysis showed that IRIN was not coerced into adopting a less critical approach to the aid industry following this meeting. However, the combination of value incongruence with weak organisational commitment characterised by sporadic and indirect communication (Dunn 2010), led IRIN managers to encounter their most significant difficulty yet: their conviction that they did not share a vision for IRIN's future with those representing their donor.

### **RQ3: What Factors Caused IRIN to Part Ways with the Jynwel Foundation?**

By the summer of 2015, IRIN managers were in a very difficult situation. They were trying to cope with what they perceived as the serious incongruence between their own value-laden aims and those of the people representing their donor (Dunn 2010). Weak organisational commitment, manifest as infrequent and indirect communications with their main donor, made this much more difficult to resolve (Dunn 2010). The increasingly visible nature of the 1MDB scandal in the media greatly exacerbated these problems, leading to managers having serious concerns for one of IRIN's greatest immaterial resources—its organisational reputation (Lister 2003; Kong and Farrell 2010). This triggered IRIN's managers step up their efforts to find other donors in order to reduce its economic need. But another set of causal mechanisms, combined with these and other factors, finally brought about IRIN's decision to finally part ways with the Jynwel Foundation.

This final set of causal mechanisms related to the misgivings of the people who had promised to serve on IRIN's managerial board, upon whose goodwill IRIN depended to access other resources (Lister 2003; Kong and Farrell 2010). The grounding of these stakeholders in more formally structured fields of activity meant that they experienced different

kinds of value incongruence (Dunn 2010). One, in particular, became alarmed in late summer about the lack of transparency which s/he saw as characterising relations with the Jynwel Foundation. As s/he put it,

It strikes me that the people we had to deal with [at the Jynwel Foundation] are not used to business being structured in the way that we [at our organisation] are used to: with clear frameworks, clear governance and due diligence processes.

This *ambiguity* between staff, friends and other [pause] *associates* is not something we are used to—and if there is no clarity about *who* someone is — that's an issue for us. They just don't *do* due process. (Interview, Prospective Board Member 1)

The growing allegations against Low in the media and in different legal jurisdictions also made other prospective board members concerned about risks to the reputations of their own organisations. As one put it,

At [our organisation] we *have* to have a very high bar about who we are associated with because we work in some very sensitive areas and reputational concerns can impact on our credibility in the field. So we are careful about who we officiate with—this was an unacceptable amount of risk. (Interview, Prospective Board Member 2)

Indeed, this individual was already considering withdrawing from the prospective board—which would have meant IRIN losing access to his/her personal resources. As one of IRIN's managers explained, losing the access to the “expertise and support” of their “firm allies” at that point would have made it extremely difficult to move forward to become an independent foundation (Interview, Manager 1, 28 August 2017).

Finally, the institutional resources which IRIN needed to survive were also threatened by the allegations against Low. The representative of ODI, IRIN's host organisation, said s/he had been given a “very clear steer” from ODI's board that being involved with the Jynwel Foundation constituted too great a reputational risk for the institute (Interview, 3 December 2015). The visibility of the scandal in media coverage was a key factor here (Dunn 2010). As the representative from ODI explained, several members of the organisation's board were British, so news coverage of a visit to Malaysia by UK's Prime Minister meant that that part of the world was “particularly prominent” in their minds at that time.

Shortly afterwards, ODI representatives told IRIN that the institute was no longer willing to accept any further funding from the Jynwel Foundation on the news organisation's behalf (Interview Manager 2, 9 October 2015). This was deeply problematic because IRIN had no other structure through which it could legally channel funds before it became an independent foundation. The formation of a board of the new entity became complicated by these uncertainties, weakening organisational commitment between IRIN and its main donor even further (Dunn 2010). The Jynwel Foundation then announced that it would only release half of the next tranche of funding—enough for a mere three months (Interview Manager 1, 7 October 2015). Furthermore, by late autumn, all communication between IRIN and its main donor was taking place through IRIN's host organisation, ODI (Interview, ODI representative, 3 December 2015).

So although the concerns of these stakeholders did not coalesce in the unified manner suggested by Dunn (2010), pressure from them regarding their various concerns about IRIN's relations with Low was considerable. It combined with other causal factors, such as perceptions of serious value incongruence and weak organisational commitment

to bring about IRIN's decision to part ways with the Jynwel Foundation. But why these causal factors combined in this way they did hinge upon the visibility of the scandal, including mounting press coverage (Dunn 2010). This is because such visibility created unacceptably high reputational risks for IRIN and its allies (Kong and Farrell 2010). This in turn had important implications for key stakeholders' withdrawal of their personal and institutional resources (Pfeffer 1982; Pfeffer and Salancik 2003). So we argue that reputational risk, and its relationship to the resource dependence of nonprofits forms a missing link in Dunn's model (2010): helping to explain why nonprofits may part ways with "tainted donors" despite their ongoing economic need.

In November, IRIN managers told journalists that the income from the Jynwel Foundation would end on 31 December and that this would mean that several journalists would not have their contracts renewed (Skype conference call, 17 November 2015). IRIN managers explained that the relationship with the Jynwel Foundation had come to an end because of the growing visibility of the scandal, and the threat that this posed to reputations of the news outlet and its host organisation, ODI (Dunn 2010; Kong and Farrell 2010). As the manager who made the announcement put it,

The problem is the scandal is so vast now ... The reputational risk is larger ... because it is so vast and litigations are getting closer to Jho. ODI's appetite for this [continuing to process funds from the Jynwel Foundation] is now zero. (Manager, Skype conference call, 17 November 2015).

Journalists were audibly shocked and confused during this call, describing themselves as struggling to keep up with the details of the disputes which had taken place at boardroom level (Skype conference call, 17 November, 2015). Later on, all of those who were interviewed said that although they had known about the allegations against Low, they had never anticipated that these allegations would impact upon them.

## Conclusion

Accepting foundation funding offers significant opportunities for nonprofit news outlets, but it also poses ethical risks. Taking money from private foundations run by philanthrocapitalists who take a highly personalised approach to giving, involves particularly serious ethical pitfalls (McGoey 2015). These difficulties are multiplied and magnified when allegations of illegal or unethical dealings have been made against a donor. But although such problems are surprisingly common in the not-for-profit sector (Dunn 2010; Koehn and Ueng 2010), they have not been previously discussed in relation to foundation-funded journalism.

That is not to say that this case study is representative of the day-to-day ethical difficulties experienced by non-profit news outlets in their encounters with their donors—it is rather too extreme for that. Instead, we argue that the extremity of this case is what makes it so useful theoretically, because it enables us to examine just how much it takes for a non-profit news outlet to sever relations with a "tainted" donor in a very harsh economic climate (Dunn 2010). Such an extreme case study also meant that ethical discussions were explicit and detailed: so enabling us to explore the agentic strategies used by journalists and managers to try and cope.

Specifically, we found that IRIN's managers justified their acceptance of a pledge from the Jynwel Foundation by pointing out the problematic nature of all funding sources—

thereby removing normative gradability (that is, considerations of what courses of action are better or worse). They also engaged in a number of considered defensive strategies, relating to due diligence processes, governance structures and organisational statutes. The main thrust of these strategies was to protect the organisational and editorial independence of IRIN. Meanwhile, IRIN journalists tended to frame any concerns about their donor as personal worries or as a managerial matter, rather than seeing donor relations as having a bearing on IRIN's commitment to public service. So they did not engage in collective ethical discussions about such issues. Moreover, journalists placed so much stress on their editorial independence that this seemed to inhibit their consideration of other kinds of ethical questions or problems.

However, as the year wore on, news managers became more aware of a number of ethical difficulties. Many of these were not directly connected to the allegations against Low, but pertained to IRIN's efforts to engage with the very different world of "philanthro-capitalism" (McGoey 2015) in ways which protected its organisational values whilst negotiating its donor's expectation that it generate some commercial income (Bunce 2016; Benson 2017). Rather than becoming disorientated in a "benevolent fog" of normative and cultural similarities (Browne 2010), IRIN's managers reported the opposite: a lack of familiarity with the norms of commercial marketing and advertising, which made them unsure about which ethical boundaries it was appropriate to set, and which to compromise upon. Indeed, for a long time, they were unsure when differences between themselves and those representing their donor were really due to value incongruence (Dunn 2010), or were just expressions of differences in working cultures.

These ethical tensions did not exist in isolation from weak organisational commitment: rather they were exacerbated by infrequent and indirect communications with the Jynwel Foundation (Dunn 2010). Together, these factors shaped managers' belief that there was no shared vision for IRIN's future, as well as causing them considerable operational difficulties. All of this placed IRIN's relationship with its donor on a very rocky footing. But it was ultimately the visibility of the scandal (Dunn 2010), in combination with these and other factors, which triggered the end of IRIN's relationship with the Jynwel Foundation.

This is because the media coverage of a growing number of legal cases threatened IRIN's reputation, as well as that of its prospective board members and its host institution, ODI (Lister 2003; Kong and Farrell 2010). These reputational risks undermined stakeholders' goodwill, including their willingness to allow IRIN to access their personal and institutional resources (Pfeffer and Salancik 1978; Pfeffer 1981). So although we didn't find that stakeholders' concerns coalesced in the unified way suggested by Dunn (2010), our study supports his broader hypothesis that a non-profit is more likely to cut ties with a donor if pressed to do so urgently by multiple stakeholders. What we add to Dunn's work (2010) is an explanation of why and how stakeholders do this, by drawing on theory about reputational risk and resource dependence.

However, we want to conclude by highlighting three, inter-related points which deserve further discussion. The first of these is how vulnerable non-profit news organisations are to being used by entrepreneurs for unethical purposes. A few million pounds can make a huge difference to a non-profit news organisation, but is a relatively small amount for many very wealthy businesspeople. Funding even small non-profit news organisations has the potential to offer donors a great deal of a great deal of reputational "bang for their buck": enabling them to generate positive news coverage and access networks of

other wealthy and well-connected donors. Yet it is very hard to vet these donors well as due diligence processes are only as reliable as the data which donors disclose. The managers of non-profit news outlets may also be unfamiliar with commercial actors, norms and processes, which can leave them unsure about the validity of their fears and misgivings.

Secondly, this case shows the problems with conceptualising the ethics of news organisations largely in terms of journalists' editorial independence. For although the creation of organisational firewalls between donor relations and journalistic activity seems likely to help preserve some kinds of critical scrutiny, it risks inhibiting journalists ability to work with their managers to identify and discuss other kinds of ethical risks as and when they arise. Finally, this case shows how serious a scandal needs to get before a non-profit news organisation will abandon a generous donor when they have no other sources of income lined up. To say this is not to single out IRIN for blame: other organisations, including the UN Foundation, continued to maintain their relationship with the Jynwel Foundation for longer than IRIN did. Rather, we wish to make a broader point: that is, that if we believe that journalism about specialist topics like humanitarianism is of public importance, then its funding should not be left to wealthy entrepreneurs, who may have their own private agendas.

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